

What's New with the Documents

2016 March

Preface

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Table of Contents

What's New.....	1
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What's New

MULTI-STATE Closing Disclosure

The Closing Disclosure has been updated by removing trailing zeroes (e.g., “.00”) from the values disclosed in the Loan Estimate column in the Calculating Cash to Close table. According to non-binding guidance given by the CFPB, rounded values should be disclosed in the Loan Estimate column on the Closing Disclosure (even though the H-25(B) and H-25(E) Model Forms do reflect cents in this column). [Comment 2 to 12 C.F.R. §1026.38(i) and Comment 3 to 12 C.F.R. §1026.38(e)].

The Closing Disclosure has been updated to accommodate transactions that include more than one fee named “Recording - Deed” or “Recording - Mortgage.” If this occurs, the Recording - Deed and Recording - Mortgage fields in Taxes and Other Government Fees (Section E) of Other Costs on p. 2 of the Closing Disclosure will print the total sum of all “Recording - Deed” and “Recording - Mortgage” fees in their respective fields. Prior to this change, only one fee was allowed in each of these fields, and only the first amount was disclosed, if more than one fee of the same name was entered. [12 C.F.R. §1026.38(g)(1)(i)].

Closing Disclosure Loan Estimate

The Loan Estimate and the Closing Disclosure have been updated to ensure that negative values, if applicable, are disclosed with a minus sign rather than within parentheses. This change was made for consistency with the CFPB’s model form samples. For example, Prepaid Interest in the Prepaids section of the Other Costs, Closing Costs Details, of the Closing Disclosure that will now print “-\$1,234” rather than “\$(1,234).”

Construction Loan Agreement

The sentence describing limitations on the number of advances in the Obligatory Loan Advances section will now print only if the number of advances is greater than zero.

The Investment of Borrower Equity section in the Conditions Precedent To First Loan Disbursement section will now be included only if the amount of equity that the borrower must invest in the construction project has been provided.

On the Document Data page, options under the Lists of Exhibits section are available to you to exclude those items that may not be part of an exhibit. Prior to this change, they were always selected. The new options include: **Builder’s Risk Insurance Exhibit, Construction Contract, Plans and Specifications, Project Budget, Title Insurance Policy or Title Insurance Commitment or Interim Binder, and General Contractor’s Consent and Acknowledgment.**

A new Additional Terms section can be added at the end of the Agreement by enter texting into **Construction Loan Agreement Additional Terms** under the Collateral section on the left hand side in Document Data.

The selection and instancing rules for the Construction Loan Agreement have been updated to ensure that this document is selected only for loans secured by the following collateral: Single Family, Townhome/PUD and Condominium. This document is used along with a note and mortgage for financing new construction of a 1-4 family, owner-occupied real property.

The Date and Parties section has been updated to ensure that the Owner name and address appear correctly on the document instance selected per piece of collateral. Lastly, the Signatures section has been revised to ensure that the Owner names appear correctly.

Credit Report Authorization

The instancing rules for the Credit Report Authorization have been revised to ensure that an instance is selected for a Borrower when the lender wants to include this document. Prior to this change, an instance was selected for the Borrower whenever an instance was produced for each Cosigner or Guarantor.

Escrow Account Disclosure

The Escrow Account Disclosure has been updated for two phase transactions to ensure that the statement describing the total periodic payment for the upcoming year (and the itemization of that payment) discloses the correct total payment. Prior to this change, the document incorrectly disclosed only the escrow portion of the payment for these loans. The issue is no longer occurring, and the disclosed periodic payment is the sum of principal and interest, escrow, and discretionary items, as applicable.

Fannie Mae 3502 Freddie Mac 3526 ARM Note 1 Year Treasury Rate and LIBOR

Section 7(A) of the Fannie Mae 3502 Freddie Mac 3526 ARM Note 1 Year Treasury Rate and LIBOR has been updated for those states that impose maximum or minimum dollar limits on the late charge. A description of the minimum and/or maximum late charge may now be included at the end of this section, if applicable. Prior to this change, this option was available only for WV.

Lock In Agreement

The Lock In Agreement has been revised to ensure that this document is populated with fees and charges that are paid by any party. Prior to this change, only the charges that were paid by the borrower were being disclosed.

Note-Consumer

On the Document Data page for the Note-Consumer under the Collateral section, the **Premium for flood insurance purchased through lender**, **Flood Insurance Term Number**, and **Flood Insurance Term Unit** are collected when **Flood Hazard Area** is selected.

On the Document Data page for the Note-Consumer under the Collateral section, the Property Insurance subsection of the document has been modified to print "N/A" only for states where "N/A" is required to appear on a blank line. The prompts for stating property insurance is required and collecting the premium amount have been updated to the following: **Property Insurance Required** and **Premium for property insurance purchased through lender**.

DISTRICT OF COLUMBIA

Lock In Agreement-DC

The Lock In Agreement-DC has been updated to ensure that this document is populated with fees and charges that are paid by any party. Prior to this change, only the charges that were paid by the borrower were being disclosed.

FLORIDA**Lock In Agreement-FL**

The Lock In Agreement-FL has been updated to ensure that this document is populated with fees and charges that are paid by any party. Prior to this change, only the charges that were paid by the borrower were being disclosed.

MARYLAND**Indemnity Deed of Trust-MD**

The Indemnity Deed of Trust-MD has been revised by including additional text under the title. This text is required by Baltimore City recorders in order to record an Indemnity Deed of Trust under Maryland Tax Property Article 12-105(f). The additional text reads, “Notwithstanding any language to the contrary, the Guarantor is not primarily liable for the repayment of the indebtedness evidenced by the Note and will incur no debt evidenced by the Note unless and until there is a default by the borrower.” [Maryland Tax Property Article 12-105(f)]

MASSACHUSETTS**Flood Insurance Disclosure-MA**

The Creditor and the Creditor’s Representative information on the Flood Insurance Disclosure-MA has been updated to include both the name and the address of the lender and the lender’s representative, as applicable, to more closely meet the requirements of Massachusetts law. Prior to this change, only the name was being included. [209 CMR 57.05(2)(c)]

Mortgage-Fannie Mae Freddie Mac Junior Lien-MA

The Mortgage-Fannie Mae Freddie Mac Junior Lien-MA has been updated to correct an error that was occurring in the “Broker and/or loan originator information, is applicable” section. The applicable loan originator information is included unless the “No loan originator was involved in the mortgage” option is selected. Prior to this change, the information was being included twice in some cases.

MONTANA**Lock In Agreement-MT**

The Lock In Agreement-MT has been updated to ensure that this document is populated with fees and charges that are paid by any party. Prior to this change, only the charges that were paid by the borrower were being disclosed.

NORTH CAROLINA**Deed of Trust Closed End-NC**

The Remedies on Default section of the Deed of Trust Closed End-NC has been revised to correct the reference to applicable North Carolina law. Specifically, the updated reference reads, “N.C. Gen. Stat. §24-1.1E (b)(1)” instead of “N.C. Gen. Code §24-1.1E (b)(1).” [N.C. Gen. Stat. §24-1.1E (b)(1)]

NEW JERSEY

Lock In Agreement-NJ

The Lock In Agreement-NJ has been updated to ensure that this document is populated with fees and charges that are paid by any party. Prior to this change, only the charges that were paid by the borrower were being disclosed.

NEW YORK

Lock In Agreement-NY

The Lock In Agreement-NY has been updated to ensure that this document is populated with fees and charges that are paid by any party. Prior to this change, only the charges that were paid by the borrower were being disclosed.

Title Insurance Disclosure-NY

The Title Insurance Disclosure-NY has been revised to correct issues with printing the name of the title insurance agency in the “Nature of the Relationship” and “Affiliated Business Arrangement Disclosure Statement” sections. The full name of the title insurance agency is now correctly included in both sections.

TEXAS

Fannie Mae Freddie Mac 3185 Home Equity Affidavit and Agreement-TX

The Fannie Mae Freddie Mac 3185 Home Equity Affidavit and Agreement-TX has been updated to better support scenarios where the cosigner is involved in a Texas Home Equity transaction. Specifically, Fannie Mae and Freddie Mac promissory notes give cosigners a “Borrower” title in the signature blocks. The Fannie Mae Freddie Mac 3185 Home Equity Affidavit and Agreement-TX (the “Affidavit”) applies to any borrower named in a Texas home equity note; thus, the Affidavit should list cosigners as parties to the Affidavit, and should contain signature blocks for co-signers. As a result, cosigners are now listed in the preamble to the Affidavit, and the corresponding signatures are included in the signatures section, if applicable.

In addition, the notary acknowledgment section of the Affidavit has been updated to include a separate acknowledgment block for spouses of owners, if the Affidavit is executed in California, Michigan, or New Jersey. Previously, an acknowledgment block would not print for the spouse of an owner, if the Affidavit was executed in one of these three states. We also added limited support for powers of attorney for owners and borrowers when lenders do not want to use their own power of attorney description in the jurat for California, Michigan, and New Jersey.

Home Equity Closing Affidavit and Agreement-TX

The Home Equity Closing Affidavit and Agreement-TX (the “Affidavit”) has been updated to better support scenarios where spouses of owners sign this document. Specifically, the notary acknowledgment section of the Affidavit has been updated to include a separate acknowledgment block for spouses of owners, if the Affidavit is executed in California, Michigan, or New Jersey. Previously, an acknowledgment block would not print for the spouse of an owner, if the Affidavit

was executed in one of these three states. We also added limited support for powers of attorney for owners and borrowers when lenders do not want to use their own power of attorney description in the jurat for California, Michigan, and New Jersey.

Mortgage Banker Conditional Approval Letter-TX

The Mortgage Banker Conditional Approval Letter-TX has been revised to more closely mirror the model form. We also updated the rules for completing this document to ensure that if no information is provided, a blank line will not print, causing an overflow.

WEST VIRGINIA

FHA Deed of Trust-WV

The FHA Deed of Trust for West Virginia has been updated for consistency with the revisions to Fannie Mae/Freddie Mac form 3049 (Rev 8/15). Fannie Mae/Freddie Mac advised that they revised their model form to bring it into compliance with West Virginia Consumer and Credit Protection Act, and the updated Fannie Mae/Freddie Mac security instrument for WV became available in an earlier deployment.

The FHA Deed of Trust for West Virginia has now also been updated as follows: Sections 1, 7, 9, 13, 18 and 22 have been revised; Section 26, Attorneys' Fees, has been deleted; and the Sections following the deleted Attorneys' Fees Section have been renumbered accordingly. In addition, FHA-required provisions regarding application of payments in Section 2 have been updated.

WISCONSIN

Spousal Consent-WI

The document instance name for the Spousal Consent-WI has been updated in order to correct a document display error that was sometimes occurring on the Document Data page. Specifically, the instance display name has been changed to ensure that the name in the description "Consent-WI - Spouse of [name]" is included without an error.

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